



The Capsule



The penalty for not having insurance coverage for 2016 will be 2.5% of your yearly income or \$695 per person.

According to the healthcare law, in 2016 each individual must have health coverage for each month, qualify for an exemption, or make a payment when filing his or her federal income tax return.

Federal Fees, Penalties and Exemptions

1. Will you have to pay a fee or penalty ?

According to healthcare.gov, if you can afford health insurance but choose not to buy it, you must pay a fee or have a health coverage exemption. The fee in 2016 is 2.5% of your yearly household income or \$695 per person, whichever is higher.

2. Will ADAP pay the penalty for you?

No. Ryan White funds cannot be used to pay the fee or penalty*. Therefore, ADAP will not pay the fees or penalties for a client.

3. How will you pay the fee?

You'll pay the fee on the federal income tax return you file for the year you don't have coverage.

4. How do you qualify for an exemption?

Some people with limited incomes and other situations may qualify for an exemption. If you qualify for an exemption, you won't have to pay the fee. There are different kinds of exemptions. Some you claim on your federal tax return. Others, including hardship exemptions, you apply for with a paper application. Visit healthcare.gov for more information.

See next page for a list of some of the qualifying exemptions.

*Source: HRSA Policy Clarification Notice #13-04

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If you don't have qualifying health coverage, in some cases you can claim a health coverage exemption. If you qualify for an exemption, you would not have to pay the fee. For a complete list of health coverage exemptions, please visit www.healthcare.gov

Exemptions from paying the federal health coverage penalty:

According to healthcare.gov a person may be exempt from the requirement to pay a penalty for not having health insurance if:

- You were uninsured for no more than 2 consecutive months of the year.
- The lowest-priced coverage available to you, through either a Marketplace or job-based plan, would cost more than 8.05% of your household income.
- You do not have to file a tax return because your income is too low.
- You are a member of a federally recognized tribe or eligible for services through an Indian Health Services provider.
- You are a member of a recognized health care sharing ministry.
- You are a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare.
- You are incarcerated, and not awaiting the disposition of charges against you.
- You are not lawfully present in the U.S.

Hardship exemptions:

A person may qualify for a "hardship" exemption if any of the circumstances below affect their ability to purchase health insurance coverage:

- You were homeless.
- You were evicted in the past 6 months or were facing eviction or foreclosure.
- You received a shut-off notice from a utility company.
- You recently experienced domestic violence.
- You recently experienced the death of a close family member.
- You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.
- You filed for bankruptcy in the last 6 months.
- You had medical expenses you couldn't pay in the last 24 months that resulted in substantial debt.
- You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.
- As a result of an eligibility appeals decision, you are eligible for enrollment in a qualified health plan (QHP) through the Marketplace, lower costs on your monthly premiums, or cost-sharing reductions for a time period when you weren't enrolled in a QHP through the Marketplace.
- You were determined ineligible for Medicaid because your state didn't expand eligibility for Medicaid under the Affordable Care Act.
- Your individual insurance plan was cancelled and you believe other Marketplace plans are unaffordable.
- You experienced another hardship in obtaining health insurance.

